

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT FOR PROFESSIONAL SERVICES (the "Agreement") is effective as of August 22, 2012, by and between Drinker Biddle & Reath LLP ("Drinker Biddle") and the Department of State (the "Department") for the State of Delaware (the "State").

BACKGROUND

On July 2, 2012, a Request for Proposals (the "RFP") (copy attached and incorporated by reference as Exhibit A) was issued by the Department to engage a vendor to provide unclaimed property administrative services in support of the Department's activities authorized by Senate Bill No. 258, codified at 12 Del. C. § 1177.

On July 19, 2012, Drinker Biddle submitted a proposal in response to the RFP (the "Drinker Biddle Proposal") (copy attached and incorporated by reference as Exhibit B).

The Department reviewed proposals in response to the RFP, and determined that the Drinker Biddle Proposal met the minimum requirements of the RFP.

On July 27, 2012, an evaluation team met with Shawn P. Tucker and Joseph C. Schoell of Drinker Biddle, and thereafter jointly determined to negotiate a contract with the Secretary of State (the "Secretary") for the provision of unclaimed property administrative services including but not limited to certain accounting, legal, financial analysis, marketing and outreach services necessary to implement the abandoned property provisions of Senate Bill No. 258 ("Professional Services").

TERMS OF AGREEMENT

In consideration of the premises and mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Drinker Biddle and the Department (collectively, the "Parties") agree as follows:

1. Drinker Biddle is hereby appointed and retained by the Department to provide Professional Services as follows:

(a) Drinker Biddle will develop and prepare guidelines, rules, regulations and procedures for the Department with respect to the new authority vested in the Secretary's office pursuant to Senate Bill No. 258.

(b) Drinker Biddle will assist the Department in the development and preparation of an outreach strategy and program designed to best inform and educate appropriate legal entities with respect to the purpose and benefits of Senate Bill No. 258.

(c) Drinker Biddle will work expeditiously over the next thirty (30) days to engage additional qualified resources, acceptable to the Department, to further and more fully implement the full scope of work contemplated in the RFP.

2. Drinker Biddle agrees to provide Professional Services; however, this Agreement is subject to termination at will by the Secretary at any time, with or without cause. Upon presentation and engagement of the resources contemplated in Section 1 (c) of this Agreement, Drinker Biddle and the State agree to execute a Revised and Amended Agreement for Professional Services to address any changes necessitated by any arrangements for additional resources.

3. Drinker Biddle agrees that it will assign the professional staff listed below by name (or category), or certain other professional staff as may be subsequently approved by the Secretary or his designee, to perform the services under this Agreement, and that Drinker Biddle will be compensated at the discounted hourly rates indicated:

<u>Professional Staff</u>	<u>Normal Hourly Rate</u>	<u>Discounted Hourly Rate</u>
William T. Quillen	\$485.00	\$436.00
Joseph C. Schoell	\$495.00	\$445.00
Shawn P. Tucker	\$485.00	\$436.00
Stephen G. Stroup	\$495.00	\$445.00
Karen V. Sullivan	\$395.00	\$355.00
Associate (Level I-II)	\$335.00-\$350.00	\$301.00-\$315.00
Paralegal	\$195.00-\$225.00	\$175.00-\$202.00
Financial Analyst	\$395.00-\$475.00	\$335.00-\$427.00

Drinker Biddle agrees that the rate for any other professional staff who work on this engagement shall be at comparable normal hourly rates to those above, taking into account each person's discounted hourly rate shall reflect a ten percent (10%) discount. The Parties agree that, if Drinker Biddle's billings for professional services exceed Five Hundred Thousand Dollars (\$500,000.00) (the "First Billing Threshold"), during any twelve (12) month period, the hourly rates for all persons involved in the matter shall be adjusted to reflect a fifteen percent (15%) discount from normal hourly rates for hours worked during the remaining period of the two year initial term or extension term in which the Billing Threshold is reached. The Parties agree that, if Drinker Biddle's billings for professional services exceed One Million Dollars (\$1,000,000.00) (the "Second Billing Threshold"), during any twelve (12) month period, the hourly rates for all persons involved in the matter shall be adjusted to reflect a twenty percent (20%) discount from normal hourly rates for hours worked during the remaining period of the two year initial term or extension term in which the First or Second Billing Threshold is reached. The above normal hourly rates are subject to adjustment on an annual basis after notice and agreement of the Parties starting January 1, 2014.

Drinker Biddle shall bill the State no more frequently than monthly for services rendered and expenses incurred on behalf of and at the request of the Department. Fees for services shall be at the rates agreed to in paragraph 3 of this Agreement that were in effect when such hours were worked. Each invoice shall be in a format customary in the community for Delaware professional services rendered; however, the Department shall have the right to request reasonable alterations in the format of the billing, as it deems appropriate.

To the extent that any Professional Services include legal services governed by 29 Del. C. § 2507, the Governor and the Attorney General of the State have approved the provision of such services and authorized the Secretary to enter into this Agreement. If applicable for any legal services provided, Drinker Biddle agrees to comply with the Delaware Department of Justice Outside Counsel Billing Policy, attached hereto as Exhibit C. Copies of the bill should be sent to Jeffrey W. Bullock, Secretary of State, 820 N. French Street, 4th Floor, Wilmington, DE 19801 with a copy of any bill for legal services to the Director of Outside Counsel, the State Solicitor and Governor's Counsel. Bills shall be paid as provided by State law. In the event the Department or the Delaware Department of Justice (if applicable) or the Governor's Counsel questions the substance of any bill or any item of work performed, Drinker Biddle shall provide such additional information as may reasonably be requested, and Drinker Biddle shall not charge any additional amount for any discussion, extra documentation or additional information required to settle any dispute regarding any issue related thereto. In accordance with 29 Del.C. §6932(b)(3), the amounts billed to the State shall be adjusted to exclude significant sums where the agency determines the contract price was increased due to inaccurate, incomplete or noncurrent wage rates and other factual unit costs. All such contract adjustments shall be made within 1 year following the end of the contract.

4. Drinker Biddle agrees that it will perform services as directed and approved by the Department and that the Department has the right to receive copies of all documents prepared by Drinker Biddle, as well as to monitor, direct and/or participate in the performance of services by Drinker Biddle under this Agreement.

5. Drinker Biddle agrees that all documents generated by it under this Agreement, including research and all work product, belong to the Department and upon request will be provided to the Department. The Department shall have the right to use any such work product or documents as it deems in its interest, without compensation to Drinker Biddle apart from the compensation earned under this Agreement.

6. Drinker Biddle has provided the Department with a Verification of Insurance from AON Risk Services Northeast, Inc., indicating coverage of not less than \$2 million in professional indemnity insurance under policy no. QB1200223. See Exhibit B to Drinker Biddle Proposal.

7. Drinker Biddle performed an initial screening for potential conflicts of interest in accordance with Drinker Biddle's existing policies, and has disclosed, reviewed and discussed all conflicts and potential conflicts with the Department. During the term of this Agreement, Drinker Biddle shall inform the Department of any actual or potential conflict that must be disclosed as required by the Delaware Lawyers' Rules of Professional Conduct. Drinker Biddle shall not commence work on any matter or shall cease work on any matter on which it may be working at the time a conflict or potential conflict arises, until such time as it has notified the Department in writing as required by this paragraph and received a written waiver of the conflict signed by the State Solicitor and Counsel to the Governor. Drinker Biddle understands and acknowledges that should the Department choose not to waive the conflict, the Department is free to obtain such services as necessary from other counsel or entity as it deems appropriate.

8. Drinker Biddle acknowledges and understands that the Department may perform the work covered by this Agreement through the Delaware Department of Justice , outside counsel or other service providers as it deems appropriate. Nothing in this Agreement restricts the Department's ability to do so or guarantees Drinker Biddle the right to perform any services except those which the Department specifically requests Drinker Biddle to perform.

9. No legal position shall be taken on behalf of the Department in any court of law or before any administrative body without consultation with and approval of the Governor or his designee(s). No opinion rendered by Drinker Biddle may be represented as an opinion of the Attorney General.

10. Prior to incurring any costs to be charged to the Department, including costs of experts, Drinker Biddle shall consult with the Secretary and obtain his approval.

11. All notices to the State required by this Agreement shall be sent to the Secretary, with copies to the Department's designated Deputy Attorney General (if applicable).

12. The terms of the RFP set forth in Exhibit A, subject to the exceptions noted in the Drinker Biddle Proposal, are incorporated by reference and made a part of this Agreement as if fully set forth herein. To the extent there is any conflict between the language of this Agreement and the RFP, this Agreement shall govern.

13. The validity of this Agreement, and the determination of the rights and liabilities of the Parties hereunder, shall be decided in accordance with the laws of the State of Delaware and no other, except to the extent that federal law may be applicable. Any litigation which may be instituted between the State and Drinker Biddle regarding this Agreement shall be filed and litigated in the State of Delaware.

14. This Agreement may be executed in one or more counterparts. All executed counterparts or each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement shall exchange among themselves original signed counterparts.

814 IN WITNESS WHEREOF the parties hereto have executed this Agreement as of this
day of August, 2012.

DRINKER BIDDLE & REATH LLP

DELAWARE DEPARTMENT OF STATE

Shawn P. Tucker
Partner

Jeffrey W. Bullock
Secretary